What the MAS AI Guidelines Require of Boards by October 2027

The inventory comes first. Here is why, and what to do about it.

Five questions for the board

- What did MAS issue?
- Which duties start in 2027, and which in 2028?
- What does the board own?
- Where do AI agents and vendor AI fit?
- What to do first

7 Oct 2026

MAS issued its Guidelines on AI Risk Management

They apply to all financial institutions and all AI, including generative AI and AI agents. Source: MAS media release.

2027 → 2028

Oversight and the inventory first, lifecycle controls a year later

7 Oct 2027: board oversight and AI risk management systems.
7 Oct 2028: lifecycle controls, people and infrastructure.

What the board and senior management own

- Effective oversight of AI risk
- A risk appetite the board can test
- Named roles for finding and rating AI use
- An existing committee is acceptable

Why the inventory comes first

Controls scale with materiality, and materiality needs an inventory. You cannot size a control for AI you have not found. The first real task is an honest count of AI uses, including the gaps.

AI agents under the Guidelines

The Guidelines name AI agents and set no agent-specific requirements. MAS intends to consult the sector in **2027**. Until then an agent is AI: list it, rate it, and record what it can do.

An FI retains primary accountability for its use of third-party AI.

Test vendor AI in your own context, document it, and be ready to limit, suspend or replace it. Source: Allen & Gledhill summary.

Five things to do

- Name the accountable executive
- Set an AI risk appetite
- Build the inventory from three routes
- Write the materiality method
- Put third-party AI in contracts and reviews

Start with the inventory

Full post, sources and evidence grading at terencekok.com.



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